
Automated Central Agency Inter-Account Billings

MEMORANDUM

TO: Finance and Administrative Officers, and Chief Accountants
All State Departments and Agencies

FROM: John J. Linderman, Director
Office of Financial Management

DATE: March 16, 1995

SUBJECT: Automated Central Agency Inter-Account Billings; Processing
in MAIN When Sufficient Funds are Not Available

Department of Management and Budget automated billings (e.g., for reproduction services) are authorized to post to any account indicated on the requisition - *even if the appropriation number and fund do not have sufficient funds*. The billing will post as an expenditure and, when sufficient funds are not available, a "negative cash" balance will result. In MAIN, an appropriation number and fund with a negative cash balance will not accept any transactions, including cash deposits, unless the user recording the transaction has the appropriate security authorized for "funds override."

As the fiscal year progresses, available spending authority in an appropriation number and fund may be exhausted or reduced to a minimal level. As a consequence, payments may not post because of insufficient authorization. There are also other instances in which a transaction could be released by a central agency that would result in a negative cash balance. Once a negative balance exists, any transaction (including the deposit of cash) must be processed by an individual with security funds override authorization.

In order to remove the negative balance, the agency must review the account to identify the cause of the problem and determine the appropriate corrective action. Possible problems and suggested corrective actions are as follows:

Cause of Problem	Corrective Action
1. Initial budgetary spending advance has been exceeded and collection of restricted funds is not immediately possible.	Request an increase in budgetary spending advance.
2. Legislative appropriation has proven insufficient.	Request legislative transfer or supplemental appropriation

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| 3. | Restricted federal or other revenue collection is not current. | Collect outstanding restricted funds. |
| 4. | Work project funds have not carried forward. | Request carry forward of funds. |
| 5. | Encumbrance carry forward correctly posted to 0110 fund, but related expenditure posted to another fund. | Journal voucher expenditure to 0110 fund. |
| 6. | Expenditures require redistribution. | Journal voucher distribution. |
| 7. | Cash collected has not been moved from the undistributed revenue account. | Journal voucher cash to appropriate account via a revenue reclass adjustment. |

Corrective actions for problems 1 and 2 must be approved by the appropriate DMB Budget Office. Corrective actions for problems 4-7 require DMB Office of Financial Management approval. In other words, a MAIN FACS agency is not authorized to independently post a transaction against an appropriation number and fund with a negative cash balance. As a consequence, it is important that agencies anticipate and follow the review and approval process for any action initiated to eliminate negative balances.

A policy exception is hereby authorized, upon request, to post cash to appropriation numbers and funds with negative cash balances. To be able to post a cash receipt under these circumstances, the cashier, in User Class 20 (Cashier/Cashiering - Post) or User Class 21 (Cashier/Cashiering - No Post), must have a "funds override indicator" on the R*STARS 96A profile equal to "1" (user may override agency and system wide level fund errors). This will permit the designated user to override funding errors which result from attempting to deposit cash in a 20/D23 that has a negative cash balance.

Currently, no users in R*STARS User Classes 20 or 21 have this override capability. To allow one or more users in your agency to have this override capability, please submit a memo requesting this capability to Mr. Bill Miller, Project MAIN Security Administrator, with copies to Ms. Jane Wu, Director, dmb/OFM Central Audit Division, and Ms. Michelle Otis, Project MAIN. The memo should include the name and user ID of the individual(s) for which you are requesting the funds override capability.

Appropriation numbers and funds with negative cash balances may occur more frequently when the DMB automated billings for Telecommunications, Mailing Services, Reproduction Services, Warehouse Services, Property Management and Risk Management begin posting in the coming weeks.

If you have any questions regarding this prescribed process, please contact Mr. Steve Grover, Manager, in the DMB/OFM Financial Control Division, at 31522. Thank you.

cc: M. Murray W. Buckley S. Engle B. Miller

C. DeRose H. Pizzo S. Grover M. Otis